

FINTRAC CDA

Market-led production programs are a core component of the Fintrac CDA technical assistance program. Good agricultural practices and the systemization of production practices provide the technological base for grower competitiveness. This bulletin provides a summary of Project activities and results with Sweet Potato, which is just one crop that growers produce as part of an overall market-driven integrated crop management program.

The overall farm is considered as the business base and, in any given year, growers will also produce other income generating crops as part of a rotation program which minimizes fixed and operating unit costs.

Sweet Potato

In April 2003, sweet potato production was initiated as a rotation crop as part of the integrated crop management program. Growers need high-value crops to continually rotate in order to minimize pest pressures, reduce overheads and maximize income.

Trials were carried out with the Bush Buck variety to determine yields and reproduce planting materials (this variety was originally introduced by FHIA for research purposes). Bush Buck is a red-skinned, white-flesh variety, used by the ethnic markets in Europe. Discussions were held with a buyer in Holland who committed to begin operations with up to two containers per month of sweet potato and Valencia yuca. A new exporter was brought into the operations and growers were introduced to the sweet potato crop.

Sweet potato planting schedules were set up to meet the buyer's volume requirements. This initially totaled 2 hectares to be planted every 2 weeks. In 2003, 35 hectares were planted by 15 growers located in Comayagua, Siguatepeque, La Paz, Jesus de Otoro and Lake Yojoa. Most of the growers are also jalapeño pepper growers. Sweet potato is an attractive rotation crop that can provide high returns in a short time frame and fits with other CDA contract production crops of similar time frames, including jalapeño and onion.



FIELD DAYS

After CDA has developed the market contacts and established prices, volumes, delivery and quality requirements, field days are carried out in trial plots to introduce the crop to interested growers. These cover production and handling systems, quality, costs, sales volumes, and an investment and profit analysis.



TECHNOLOGY

Production technologies follow CDA standard Good Agricultural Practices, including raised beds, sticky traps, live barriers, plantlet production, drip irrigation, fertigation, integrated pest management, use of phytosanitary products, and crop rotation.

SALES

Sweet potato planting started in April 2003 with first harvests after 120 days. Exports began in October 2003 and 6,040 cartons (121,000 lbs) were shipped with an FOB value of \$42 thousand. Growers sell at fixed price under contract to the exporter. While harvests are still ongoing from the original 2003 plantings, net income is expected at \$1,500/hectare with costs of \$3,000/hectare. For the 35 hectares planted in 2003, total gross grower income is projected at \$130 thousand. An additional 100 hectares are at present scheduled for planting in 2004 with the current variety and buyers. Trials are also being carried out with a new variety and, if successful, the planting area will be doubled. CDA is committed to expanding the production areas and markets for sweet potato in 2004 and to develop processed product outlets.

PRODUCTION

This is the first time sweet potato has been produced on a commercial scale for export in Honduras. Based on initial production results, changes were made to production systems including the introduction of biological controls for pest controls, increased planting density and handling of planting materials to reduce virus transmission. Initial export yields averaged 20,000 lbs/ hectare, which is expected to increase in 2004 with the improvements being made in the production systems.



"Sweet potato is a new export crop for Honduras to Europe that offers an additional income opportunity to small growers. Melons, watermelons and citrus are the main products shipped to Europe. Sweet potato is a growing market, and while the competition is strong, Honduras can compete with a quality product, consistent supplies and competitive pricing. EurepGap certification will be key."

**Allan Murillo
Fintrac CDA Marketing**

PACKHOUSE ACTIVITIES

The sweet potato is being packed in Comayagua. The exporter modified a papaya packhouse to include multiple washing systems, postharvest waxing and curing racks. This is providing employment for 15 to 20 persons, mostly women. As the sweet potato is being shipped with yuca in the same container, another packing facility is Lake Yojoa also employs 15 to 20 persons.



The development of this new activity has also had a positive impact on the input, service and BDS sectors. 2003 grower expenditure benefited land preparation services, inputs suppliers, irrigation companies and hired labor, local transporters and customs services. Cost of production for sweet potato averages \$3,000/hectare, with labor costs making up 31%. The labor requirement during production is 300 person days/hectare, equivalent to 42 permanent positions for the 35 hectares planted in 2003. In reality, the labor become permanent as the work force on the farm was previously working with jalapeño, onions or another crop.

All sweet potato activities are being operated using Good Agricultural Practices according to the Eurep protocol. Selected growers are expected to be certified by April 2004.

While this product is expected to continue to show growth, the project has contacted other buyers in UK and Europe who are interested in the red-skinned yellow-flesh sweet potato which is demanded by the mainstream supermarket buyers. EurepGap certification is a pre-requisite. Planting materials have been introduced from the USA and are currently being reproduced in Honduras. Commercial production will begin in March 2004 and areas expanded to include Cantarranas and Danli.

CDA also prepared a submitted Pest Risk Analysis for consideration of sweet potato entry into the US market from Honduras.

EXPORTS

After two containers had been shipped, the exporter visited the importer in Holland. The sweet potato is considered to be of excellent quality and competes with those from South Africa. Changes were made in the size grading to permit smaller potato, as well as changes in the carton design. Overall sweet potato volumes were also increased. For 2004, sales are projected of at least 50 containers at an FOB value of \$700 thousand and growers sales income of \$280 thousand.

